


CITY COUNCIL ACTION REQUEST

Department(s): Transportation	CEQA: Not a Project, File No. PP17-003, Agreements and Contracts (New or Amended) that will result in no physical changes to the environment.	Coordination: CAO, CMO - Budget Office, and PBCE	Dept. Approval: /s/ John Ristow
Council District(s): 3			CMO Approval:  5/13/2022

SUBJECT: FIFTH AMENDMENT TO PARKING PREMESIS AGREEMENT BETWEEN CITY AND SP6 SAN JOSE HOTEL OWNER, LLC FOR PARKING SPACES LEASE AT THE CONVENTION CENTER GARAGE

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to execute an amendment to the Parking Premises Agreement with SP6 San José Hotel Owner, LLC (Marriott Hotel) to reduce the number of parking spaces leased from the City of San José (City) at the Convention Center Garage from 193 to 134 spaces.

BASIS FOR RECOMMENDATION:

The City has an existing parking agreement associated with the Marriott Hotel, leasing parking spaces in the City's Convention Center Garage. The agreement was initially executed on June 6, 2006 and amended several times over the years (in 2004, 2009, 2012, and 2014), mostly to account for changes in hotel ownership.

The Marriott Hotel approached staff in early 2022 to request a reduction in the number of leased parking spaces from 193 to 134 spaces, due to an ongoing drop in hotel guest parking demand.

Per the terms of the existing agreement, the Marriott Hotel may request a reduction in the size of the Leased Premises and City shall consider such a request if:

- Requested change does not disrupt operations of the Convention Center, including the Convention Center Garage, and
- The change will be at no cost to the City (other than the reduced space rental fee), and
- Developer shall remain responsible for complying with all permits and approvals, including the Conditional Use Permit for the Marriott Hotel

Department of Transportation staff confirmed there will be no impacts to the Convention Center or the Convention Center garage from the requested change and the Marriott Hotel agreed to pay for all costs associated with the reconfiguration of the Leased Premises. Staff from the Planning, Building and Code Enforcement Department confirmed that the existing parking requirement for the Marriott Hotel is 181 spaces which will be met by the combined 71 onsite spaces at the Marriott Hotel plus the 134 spaces leased from the City.

Although there will be an initial reduction in lease revenue to the City of approximately \$115,000 per year, this will be offset to some degree by the increase in daily visitor parking spaces available for attendees of events at the Convention Center and various downtown theaters.

Climate Smart San José: The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE:

A decrease in lease agreement revenue of approximately \$115,000 per year in the General Purpose Parking Fund, offset in part by revenue generated from increased parking space availability for public use at the Convention Center Garage.

FOR QUESTIONS CONTACT: Arian Collen, Parking Manager, Department of Transportation at 408-975-3246